

TO: JAMES J. WALDRON, CLERK

CASE NO. 08-14631 (GMB)

ADV. NO. 10-01398 (GMB)

IN RE: Shapes/Arch Holdings, L.L.C., *et al.*
(Jointly Administered)
The Class 10 Liquidation Trust v.
Nancy Carpey, Estate of Ellen
Grossman, Richard Grossman, Cecelia
Kessler, Beth Ann Kessler, Amy Laboz,
Linda Fleisher, Steven Grabell, Helene
Kendall, and Paul Sorensen, Jr.

CHAPTER 11

INFORMATION FOR NOTICE OF SETTLEMENT OF CONTROVERSY

The Class 10 Liquidation Trust (the “Class 10 Trust”) proposes to settle a claim and/or action, the nature of which is described below.

If any creditor or other party in interest has an objection to the settlement, an objection and request for a hearing on such objection shall be in writing, served upon the Class 10 Trust’s counsel and filed with the Clerk of the United States Bankruptcy Court.

Such objection and request shall be filed with the Clerk and served upon the Class 10 Trust’s counsel no later than January 19, 2011.

In the event an objection is timely filed, a hearing thereon will be held on January 24, 2011, at 10:00 a.m., before the Honorable Gloria M. Burns, at the United States Bankruptcy Court, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, New Jersey 08101.

If no objection is filed with the Clerk and served upon the person named below on or before January 19, 2011, the settlement will be consummated without further notice.

The nature of the action and the terms of the settlement are as follows:

NATURE OF ACTION	PERTINENT TERMS OF THE SETTLEMENT
On March 15, 2010, the Class 10 Trust filed a complaint against, among others, Steven M. Grabell (the “Defendant”) seeking recovery of \$30,477.00 in transfers made by one or more of the Debtors to the Defendant during the year preceding the Debtors’ Chapter 11 filings, under 11 U.S.C. §547 and under 11 U.S.C. §§ 544 and 548.	Defendant and the Class 10 Trust have entered into a settlement agreement resolving the claims against Defendant. Pursuant to the settlement agreement, Defendant has agreed to make payment to the Class 10 Trust in the amount of \$12,190.80 (the “Settlement Amount”) in full satisfaction of any avoidance claims the Class 10 Trust has or might have against Defendant and to waive the filing of any claim under 11 U.S.C. § 502(h). Payment shall be made by deduction of the Settlement Amount from the initial distribution payable to Defendant on account of his unsecured claim. The settlement agreement also settles an action against the Defendant pending in the United States District Court of New Jersey under Civil Action No. 10-cv-02051. This notice relates solely to the resolution of the fraudulent transfer action against Defendant and his claims in these bankruptcy cases. The Settlement Agreement is separately filed with the Court.

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SUBMITTED BY: /s/ Felice R. Yudkin POSITION: Co-counsel for the
Class 10 Trust's
DATED: December 29, 2010

FOR CLERK'S OFFICE USE ONLY
TYPE OF TASK: 11
FORM # BL STATEMENT 11S

NJ LOCAL FORM 10